

California Independent System Operator

Discussion before Little Hoover
Commission

Governor's Energy Reorganization Plan
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Energy Policy Challenges

- Infrastructure Deficiency
- Alignment of Regulatory Policy
- Clear Definition of Roles and Responsibilities
- Efficient Resource Planning and Siting

CAISO Background

- CAISO: Nonprofit public benefit corporation, created by state statute, regulated by the Federal Energy Regulatory Commission (FERC)
- 5-member board appointed by the Governor and confirmed by the Senate
- Primary duties include maintaining reliability of the ISO-controlled grid (approximately $\frac{3}{4}$ of the state) and ensuring open, nondiscriminatory access to the transmission grid
- Also serve as one of three Reliability Coordinators throughout the Western Interconnection

Key Points

- CAISO focused on areas of the Plan that impact our operations
- Including CAISO as ex-officio, non-voting member of Department of Energy is a positive step with potential to enhance state-federal collaboration and alignment of regulatory policy and functions
- Focused on two main areas in the Plan: Office of Energy Market Oversight and siting of energy facility infrastructure

Office of Energy Market Oversight

- Coordinating state participation in proceedings before FERC = improvement; however, ensure flexibility for others to weigh in as appropriate
- Improved rules for data confidentiality = improvement. CAISO wants to be of assistance to the state for market monitoring purposes; current rules hamper this ability
- Transfer of EOB “appeal body function” and approval of CAISO bylaws needs rethinking

Integration of Resource Planning and Siting

- CAISO supports streamlining energy facility siting processes. Consolidating functions has potential to help integrate the process of generation and transmission planning and siting
- Structural changes to siting process will not fix all the problems
- Ensure generation and transmission are planned in an efficient manner; integrate with CAISO transmission planning function
- The transmission grid is regional - planning and siting require regional view